

Message Text

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E.O. 11652: GDS

TAGS: ETRD, EEC, GATT

SUBJECT: ARTICLE XXIV:6 NEGOTIATIONS--STATEMENTS AT GATT COUNCIL

1. ON MAY 14, HIJZEN, THE EC COMMISSION'S DEPUTY DIRECTOR GENERAL FOR EXTERNAL RELATIONS, GAVE MISSION OFFICERS THE TEXTS HELD BY THE COMMISSION OF THE STATEMENTS THAT WOULD BE MADE BY THE US, THE EC, AND THE DIRECTOR GENERAL OF THE GATT TO THE GATT COUNCIL REGARDING THE ARTICLE XXIV:6 NEGOTIATIONS. THE TEXT FOLLOWS.

2. US STATEMENT AT GATT COUNCIL. THE UNITED STATES CONSIDERS THAT THE NEGOTIATIONS PURSUANT TO ARTICLE XXIV:6 OF THE GATT HAVE NOT ACHIEVED SATISFACTORY RESULTS, WITH RESPECT TO COMPENSATION FOR CONCESSIONS WITH RESPECT TO WHEAT (EX 10.01) AND RICE (10.06B) IN THE SCHEDULE OF DENMARK; WITH RESPECT TO WHEAT (10.01A), BARLEY (10.03) CORN (10.05B) (TO BE VERIFIED), (10.05C), RICE 10.06A, 10.06B) AND SORGHUM (EX 10.07A) IN THE SCHEDULE OF THE UNITED KINGDOM; AND WITH RESPECT TO RICE (10.06) IN THE SCHEDULE OF IRELAND. THE UNITED STATES THEREFORE RESERVES ITS RIGHT TO RESUME THE NEGOTIATIONS WITH RESPECT TO SUCH PRODUCTS.

TAKING THE ABOVE ELEMENTS INTO ACCOUNT, THE US RESERVES ITS RIGHTS UNDER ARTICLE XXVIII TO WITHDRAW
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SUSTANTIALLY EQUIVALENT CONCESSIONS WITH RESPECT TO THE

CEREAL ITEMS LISTED ABOVE, WITH RESPECT TO ANY MODIFICATION MADE BY THE EUROPEAN COMMUNITIES TO ITS SCHEDULES PURSUANT TO ITS RESERVATION REFERRED TO BY THE REPRESENTATIVE OF THE COMMUNITIES, WITH RESPECT TO ANY MODIFICATION MADE BY THE EC TO THE DRAFT SCHEDULES FOR THE EC REFERRED TO IN THE REPORT OF THE DELEGATIONS OF THE EC AND THE US TO THE ARTICLE XXIV:6 NEGOTIATIONS, AND WITH RESPECT TO ANY FAILURE BY THE EC TO IMPLEMENT, IN WHOLE OR IN PART, THE CONCESSIONS CONTAINED IN THE DRAFT EC SCHEDULES ON OR BEFORE MAY 25, 1974 (UNLESS ANOTHER DATE IS SPECIFIED IN THE SCHEDULES WITH RESPECT TO ANY CONCESSION.

THE UNITED STATES JOINS WITH THE (EUROPEAN COMMUNITIES) (OTHER CONTRACTING PARTIES) TO PROPOSE THAT THE TIME LIMIT LAID DOWN IN PARAGRAPH 3 OF ARTICLE XXVIII OF THE GATT SHALL NOT APPLY TO THESE RESERVATIONS, BUT THAT ACTION TAKEN UNDER THESE RESERVATIONS MAY TAKE PLACE UPON THE EXPIRATION OF 30 DAYS FROM THE DAY ON WHICH WRITTEN NOTICE IS GIVEN TO THE CONTRACTING PARTIES. THE UNITED STATES AND (THE EUROPEAN COMMUNITIES) (A NUMBER OF OTHER CONTRACTING PARTIES) SEEK THE APPROVAL OF THE GATT COUNCIL FOR THIS MODIFICATION OF THE TIME LIMITS LAID DOWN IN ARTICLE XXVIII.

THE UNITED STATES REQUESTS THAT THIS STATEMENT BE MADE A PART OF THE RECORD OF THIS COUNCIL MEETING.

3. EC STATEMENT AT GATT COUNCIL. THE EUROPEAN COMMUNITIES CONSIDER THAT THE CONCESSIONS OFFERED BY THE NEW COMMON SCHEDULES PROVIDE FULL COMPENSATION FOR THE WITHDRAWAL OF ALL THE CONCESSIONS LISTED IN SCHEDULES XIX, SECTION A, PARTS I AND II IN XXII, XL, XLBIS AND LXI, PARTS I AND II, IN RESPECT OF WHICH OTHER CONTRACTING PARTIES HELD NEGOTIATING RIGHTS.

NOTING, HOWEVER, THAT SOME CONTRACTING PARTIES TAKE A DIFFERENT VIEW, AND HAVE RESERVED THEIR RIGHTS UNDER ARTICLE XXVIII, THE EUROPEAN COMMUNITIES HAS INSERTED IN ITS SCHEDULE A RESERVATION OF RIGHTS WHICH ENABLES IT TO TAKE EQUIVALENT ACTION OF OTHER CONTRACTING PARTIES INVOKING THE PROVISION OF ARTICLE XXVIII WERE TO WITHDRAW CONCESSIONS FOLLOWING THESE ARTICLE XXIV:6
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RENEGOTIATIONS IN CONNECTION WITH THE ENLARGEMENT OF THE COMMUNITIES. THE TEXT OF THIS RESERVATION IS AS FOLLOWS:
"THE EUROPEAN COMMUNITIES RESERVE THE RIGHT OF MODIFYING THE PRESENT SCHEDULE OF CONCESSIONS TO RESTORE THE BALANCE OF CONCESSIONS IF (A CONTRACTING PARTY) INVOKING THE PROVISIONS OF ARTICLE XXVIII:3 WERE TO WITHDRAW CONCESSIONS FOLLOWING THE ARTICLE XXIV:6 RENEGOTIATIONS IN CONNECTION WITH THE ENLARGEMENT OF THE COMMUNITIES. IF

SUCH MODIFICATIONS SHOULD TAKE PLACE, THE COMMUNITIES, ACTING IN CONFORMITY WITH THE PROVISIONS OF ARTICLE XXVIII:2, AND IN THE FRAMEWORK OF THE PROCEDURES AND MODALITIES OF NEGOTIATIONS FOLLOWED IN THE COURSE OF RENEGOTIATIONS, SHALL ENDEAVOUR TO MAINTAIN THE CONCESSIONS GRANTED TO EACH OF THE THIRD PARTIES TO THE RENEGOTIATIONS AT A LEVEL NO LESS FAVOURABLE THAN THAT PROVIDED BY THE CURRENT SCHEDULE, EACH OF THEM PRESERVING VIS-A-VIS THE COMMUNITIES THE RIGHTS ARISING FROM THE PROVISIONS OF ARTICLE XXVIII.II.

THE EUROPEAN COMMUNITIES JOINS WITH (THE UNITED STATES) (OTHER CONTRACTING PARTIES) TO PROPOSE THAT THE TIME LIMIT LAID DOWN IN PARAGRAPH 3 OF ARTICLE XXVIII OF THE GATT SHALL NOT APPLY TO THESE RESERVATIONS, BUT THAT ACTION TAKEN UNDER THESE RESERVATIONS MAY TAKE PLACE UPON THE EXPIRATION OF 30 DAYS FROM THE DAY ON WHICH WRITTEN NOTICE IS GIVEN TO THE CONTRACTING PARTIES. THE EUROPEAN COMMUNITIES AND (THE UNITED STATES) (A NUMBER OF OTHER CONTRACTING PARTIES) SEEK THE APPROVAL OF THE GATT COUNCIL FOR THIS MODIFICATION OF THE TIME LIMITS LAID DOWN IN ARTICLE XXVIII.

THE EUROPEAN COMMUNITIES REQUESTS THAT THIS STATEMENT BE MADE A PART OF THE RECORD OF THIS COUNCIL MEETING.

4. JOINT DECLARATION OF THE US AND THE EC (EVENTUALLY TO BE READ BY THE DG OF THE GATT.) NOTWITHSTANDING THIS DIVERGENCE OF OPINION AND TAKING ACCOUNT TO THE COMPLEXITIES OF THE PROBLEMS INVOLVED IN CEREALS, THE US AND THE EUROPEAN COMMUNITIES AGREE TO CONTINUE DISCUSSIONS WITH A VIEW TO SEEKING THROUGH INTERNATIONAL NEGOTIATIONS, AGREED SOLUTIONS TO THE PROBLEMS ARISING IN THE FIELD OF INTERNATIONAL TRADE IN CEREALS." END TEXT
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NOTE BY OC/T: NOT PASSED STR.

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